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A.NOLEN

Assaulting Mt. Helicon: Writing and Current Affairs.

monthly archives: JULY 2014

LIVER IS THE NEW KALE!

I had the good fortune to grow up in Britain during the 90s, when well-meaning and under-nourished Vegans ruled food culture with unshakable self-righteousness. *Chew your kale 100 times!*

Back then, Vegan confidence was not lost on us teen girls: not only did vegetarianism make the aliens proud, there was a good chance it would make us Kate-Moss-skinny too! Win/win.

But then I had to grow up. Enjoy this awesome video on why you should eat offal and fat. Liver is the new Kale!

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If you enjoyed that video, check out The Vegetarian Myth, by Lierre Keith.

P.S.

Lierre: we need a book on how to deal with the ugly population correction. Who lives and who dies? Nobody ever wants to touch that part of the problem, but it's the most important part, assuming our leadership keeps their heads in the sand.

LEAVE A COMMENT

THE MUSLIM CENTURY

"Apollonian, Apollonian, *Mercurian!* Apollonian, Apollonian… "

I always found it odd that Yuri Slezkine left the other Semitic peoples out of his landmark study, *The Jewish Century*, in which he theorizes about 'Mercurian' service-providing nations like his people or the Overseas Chinese, but it seems that history will correct the professor's omission. Saudi Arabia has decided to open its financial markets to foreigners.

Bloomberg reports in *Saudi to Open $531 billion Stock Market to Foreigners*:

> *Saudi Arabia, the oil-producing kingdom whose stock market has been off-limits to outsiders, will allow foreign investors to buy and sell shares next year as it seeks to lure capital to the $745 billion economy.*

As a history buff and one-time London stock-jobber who has lived in the Middle East, this development is interesting on a number of levels.

For most of the last 30 years, Saudi Arabia has worked hard to keep foreigners from owning assets in the kingdom. In the 1990s, Riyadh began implementing a policy where businesses were forced to be majority-owned by Saudis: every year a little more of foreign-owned companies would have to be sold to Saudis if those companies wanted to say in business. This was part of Riyadh's larger 'Saudification' policy.

Riyadh started 'Saudification' because they knew that the economic weakness of their indigenous population was also a national security weakness. Most of the work in the Kingdom– from day-labor to white-collar– is done by foreigners. The Saudis themselves tend to live off handouts from the Royal Family, or if they don't come from a well-connected family, they live in the traditional, highly-impoverished, way of their ancestors. This situation leads to social discontent, and for a nation with hot-headed fundamentalist tendencies at the best of times, social discontent is *really* bad news.

But now 'Saudification' seems to have been turned on its head. Is this an admission of failure on Riyadh's part? I don't think so. Much like the Chinese use of 'A' shares for Chinese, 'B' shares for everybody else, the Saudi capitalization has been carefully planned to preserve corporate *control* for friends of the Royal Family.

> *Saudi Arabia is the biggest stock market outside China, where domestic shares are excluded from MSCI's global gauges because of limits on foreign investors, according to data compiled by Bloomberg.*

I don't blame the Saudis for doing this, it's in their security interests. I also believe US companies should box out investors who don't jive with our unique national security interests.

However, joining the international stock market *is* making a pact with the devil and there's no reason to think that the Saudis don't know that. It's only a matter of time before somebody important gets a margin call, and that $531 billion, which at first seemed so conservative, suddenly becomes a harness. Again, there's no reason to think that the Saudis don't know this. They've been on the receiving end of market manipulation before– remember back in the '80s, when the Saudis were closely sheared by Anglo-American banking interests via the gold market?

So what's happening here? I propose, a.nolen readers, that this market-opening is the next step in the partnership between Anglo-American and Islamic leadership. I've written before about how the British are co-opting Islamic finance in cooperation with Jeddah's clerics; and how the Americans are setting up a new version of Islam tailored to their interests.

The Saudis are opening up their markets because they're throwing their interests in so closely with those of the 'Great Satan'. This move says more about the Kingdom's relation to Russia than it does about their financial acumen.

Saudi's snuggle-up to Wall Street shouldn't come as a surprise to anybody: Saudi Arabia has been an American stooge for a long time. However, most Westerners are blissfully unaware of their own leaders' complicity with radical Saudi politicians.

Personal anecdote: I've heard one high-level Italian politician exclaim, "Islam is Europe's future and the Christians better resign themselves to that." This left-leaning Italian politician made his proclamation to a *standing ovation* from American dignitaries and academics– 'experts'. I can tell you this as an example of Western leaders' attitudes, but you only have my word to go on.

I ask readers to recognize the truth in what I'm saying by looking at facts on the ground.

1) In the former Yugoslavia, NATO replaced a despotic Christian regime with a despotic Muslim one.

2) Consider the Western immigration policies which have lead to highly-radicalized Muslim populations within US/Canadian/European borders. The Boston Bomber is just one instance.

3) Consider US and UK government policies which work to bring Islamic finance into the Western mainstream: halal government bonds and Freddie Mac's foray into 'interest-free' Islamic mortgages.

These are not wrongs that the Muslim world has done to us; they're wrongs that Western leaders have done to Western people. I've lived under Sharia law– it's not nice, especially if you're a woman or Black, I might add. Sharia law in Saudi Arabia punishes running over a Black African less severely than a Saudi– or even an expendable European middle-manger. Black America might want to think on that one.

Why are European elites selling their constituents out? Because they like the power Islamic clerics have over their flocks; Western powers haven't enjoyed that since the heyday of the Catholic Church. They also like the resources that their fundamentalist business partners sit on in Asia and the Middle East.

These European elites are all about **power** and they have alligence to nothing, not unlike my friend William Colby. (You can read about Colby's betrayals to the KGB here, and a cultural analysis of power-worship via *Saatchi Family Values*.)

I'm a 'realist' in my foreign policy thinking. Neither the US– nor anybody else– should go to Muslim countries and try to get them to treat their women differently, or to be democratic, etc. Neither should we tolerate Saudi soft-power-plays on European or North American soil. I,

unlike my peers in Washington D.C. or New York City, believe in the Golden Rule: *do unto others as you would have done to yourself*.

There's one burning question that will be on the lips of veteran Saudi-watchers: "Who's helping the Saudis with this stock market 'liberalization'?"

> *At least three banks, including HSBC Holdings Plc and Deutsche Bank AG, have executed test trades, three people said, asking not to be identified as the plans are private. Access for money managers outside the GCC has so far been limited to indirect routes, including equity swaps and exchange-traded funds.*

So who's the third bank? Société Générale is trying to break into Islamic bonds, and pending magical approval by a smattering of Islamic scholars, they will be the second Western bank after HSBC to successfully to enter the market. But SocGen hasn't been particularly quiet about it's attempts to 'go halal'. So why the hush-hush?

… Because the third bank is probably Goldman Sachs, whose attempt to enter the Islamic bond (sukuk) market was quashed in a very public way by the Gatekeepers of Financial Islam. While Goldman Sachs is amongst the ugliest institutions on the planet, this blogger sees a h*ll of a lot of irony in that call.

LEAVE A COMMENT

TIMES THEY ARE A CHANGIN

When I was very young, around five years old, I remember seeing a small group of people protesting Israel's occupation of Palestine in Wayzata, Minnesota. That's in the middle-northern part of the USA.

There were about 15 people holding signs outside an 80's-chic, glassy office building. They were quiet with somber faces; back then I would have described them as angry or sad.

I remember this event vividly because of what happened next: a stylish lady with an entourage walked quickly past the protesters and, just before she slid away behind the glass doors, she shouted: "What's this *shit*?"

As a five year old, I didn't expect to hear *that* word come out of a lady who looked like she did. My mother told me the stylish woman was with the governor's office.

The more I learned about what was going on in Israel and Palestine, the more sympathy I had with those quiet protesters. When our family moved to the Middle East, those feelings grew, because I saw that part of the world through my own eyes, not those of an American media organization. On our visits home it was difficult to listen to people sympathize with Israeli settlers or the Israeli government, because I knew better. I knew that these simple people, my people, were being lied to and manipulated. I knew they'd be more critical if they saw what was happening in the occupied territories for themselves. However, it was dangerous to talk in support of the Palestinians back then and I had the political acumen to watch what I said and to whom I said it.

High school in the U.K. was somewhat of a relief with regard to Palestine, because the Brits, while still politically oppressed, have retained some of their old skepticism and intelligence– in private, they knew they were being lied to. I don't think that the Americans did.

In college, back in the US, I took part in a Palestinian support group which tried to counter some of the propaganda in the media by showcasing Palestinian art and literature. This got me targeted by Israeli students who claimed to be Israeli Defense Force (IDF). They would follow me and take my picture or make threats. They went for me in particular, probably because I'm a non-threatening White woman and was a reasonably convincing spokesperson, especially amongst Jewish students who had an open mind on the issue. (The harassment stopped when I found out the name of one of them, who was enrolled in the same business class I was. *Not so brave in the sunlight.*)

Although there was open intimidation on campus (which this high-profile East Coast university turned a blind eye to), things were changing. I still suffered discrimination from my professors when word got around that I was 'pro-Palestine', but more and more amongst the student body it was safe to say 'This occupation is wrong" and "Not with my money".

All that was a long time ago. Look what's happening today. Demonstrations with *thousands* of people all over the world.

Now, in the USA, these demonstrations are being spun as acid-reflux from immigration policies. And certainly, Muslim immigrants are probably over-represented in the crowds. However, many of these

thousands of protestors are *not* immigrants. Even one thousand is a lot more than fifteen.

What's the endgame, Israel? What's the world going to look like when I'm sixty?

LEAVE A COMMENT

TIME FOR ME TO EAT CROW?

'Member those stickers?

Since writing this post, I've concluded that a big part of the Snowden Saga was to pull the carpet out from under intelligence outsourcing. Please see my post Outsourcing**.**

Regular readers know that I've supported Snowden very strongly over the past twelve months. Readers also know that I believe Tor is a US intelligence op designed to get 'interesting' targets to self-select for US surveillance.

Runa Sandvik, the patient Tor developer.

Well, Runa Sandvik has now decided to tell the world that a few weeks prior to Snowden's leaks, she met Snowden in Hawaii where he hosted a "Crypto Party" meet-up **for her** to promote Tor and for him to promote the (now disgraced) encryption software TrueCrypt. Sandvik doesn't live in Hawaii, she *just happened* to be going on vacation there when Snowden emailed her asking for a bunch of Tor bumper-stickers. She then suggested that she could give a talk about Tor to Snowdens' work buddies, which Snowden followed by offering to organize the "Crypto Party" for her visit. Twenty people showed up for the event.

Kevin Poulsen's *WIRED* article, *Snowden's First Move Against the NSA was a Party in Hawaii*, stresses that Snowden organized the little party and Sandvik was a serendipitous addition, but this is a misrepresentation if you read what Sandvik says carefully– it was more like a collaborative effort between the two. Although Sandvik has decided to talk, Snowden didn't seem to want to contribute to Sandvik's *WIRED* story.

> *(Through his lawyer, ACLU attorney Ben Wizner, Snowden declined to comment for this story).*

Runa Sandvik is a Washington D.C.-based "technologist" journalist, who used to be a Tor developer and now is part of the Freedom of the Press Foundation's Technical Advisory Board , as is Kevin Poulsen, who wrote the *WIRED* article I'm quoting from. Snowden, Poitras and Greenwald sit on the Freedom of the Press Foundation's board of directors, though it took the FPF over a month to get Snowden's details up on their directors' website after Daniel Ellsberg made the announcement that Snowden would join them. (FPF is a huge Tor supporter, surprise.)

According to Runa Sandvik, Snowden was a Tor activist before becoming internationally famous for his leaks. Not only did he organize an event to help educate people about Tor, but he also ran a couple of Tor exit nodes himself and tried to recruit other people at his work (NSA contractors?) to do the same.

You'll remember that Tor exit nodes are the most sensitive nodes on the Tor network, because these nodes are where the encrypted information appears to come from just before it reaches its final destination. Exit nodes are Tor's 'Achilles' heel', because these exit nodes attract attention from 'enemy' intelligence and law enforcement. If these exit nodes stay running over a long period, then they're signaling that they're run by US/ US-aligned spooks, because no one else has the resources to deal with the day-to-day legal finagling necessary to keep their Tor host online. I explain that more fully here.

'Spoiled Onions', the Swedish government's not-so-subtle criticism of how their American partners are running Tor, focuses on how the

Russians can use exit nodes to monitor the Tor network.

In short, you don't run exit nodes unless 1) the US of A ultimately has your back or 2) you're very, very foolish. This is how the 'Crypto Party' went down, according to Sandvik:

> *Sandvik began by giving her usual Tor presentation, then Snowden stood in front of the white board and gave a 30- to 40-minute introduction to TrueCrypt, an open-source full disk encryption tool. He walked through the steps to encrypt a hard drive or a USB stick. "Then we did an impromptu joint presentation on how to set up and run a Tor relay," Sandvik says. "He was definitely a really, really smart guy. There was nothing about Tor that he didn't already know."*

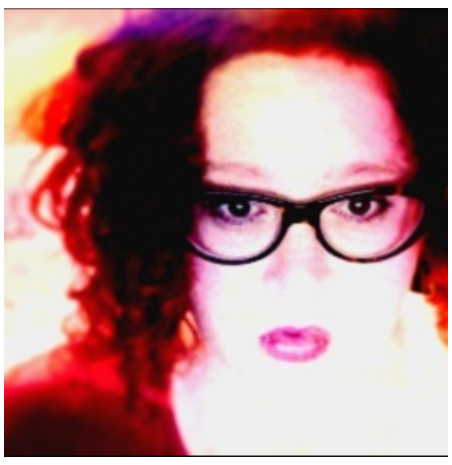
Sandvik goes on to explain her dealings with Snowden further:

> *The roots of Snowden's crypto party were put down on November 18, 2012, when he sent an e-mail to Sandvik, a rising star in privacy circles, who was then a key developer on the anonymous web surfing software Tor.*

And…

> *In his e-mail, Snowden wrote that he personally ran one of the "major tor exits"–a 2 gbps server named "TheSignal"–and was trying to persuade some unnamed coworkers at his office to set up additional servers. He didn't say where he worked. But he wanted to know if Sandvik could send him a stack of official Tor stickers. (In some post-leak photos of Snowden you can see the Tor sticker on the back of his laptop, next to the EFF sticker).*
>
> *"He said he had been talking some of the more technical guys at work into setting up some additional fast servers, and figured some swag might incentivize them to do it sooner rather than later," Sandvik says. "I later learned that he ran more than one Tor exit relay."*

In Poulsen's article, he suggests that Australia-based "crypto party movement" founder Asher Wolf was contacted, *by someone*, for help setting up 'Snowden's' Crypto Party. Poulsen goes on to say that Snowden used the same



Sexy nerd Asher Wolf in typical 'technorati' avatar style.

Cincinnatus@lavabit email to contact Sandvik that he used to contact Greenwald two weeks later, and that Snowden gave Sandvik his real name and address using Cincinnatus@lavabit. Snowden then used 'Cincinnatus' to post on the public 'Crypto Party' wiki board!

> *Snowden used the address cincinnatus@lavabit.com — the same account he would use again less than two weeks later in his initial approach to journalist Glenn Greenwald. Snowden followed up by sending Sandvik his real name and street address in Hawaii, for the stickers.*

And…

> *Snowden used the Cincinnatus name to organize the event, which he announced on the Crypto Party wiki, and through the Hi Capacity hacker collective, which hosted the gathering. Hi Capacity is a small hacker club that holds workshops on everything from the basics of soldering to using a 3D printer.*

Er, so much for the super-spy tech wizard legend, Ed. Asher Wolf, the promoter-being-promoted by *WIRED*, says this about her contact with *whoever* emailed her for tips:

> *In Melbourne, Wolf received an e-mail asking for advice on putting together the Oahu event. She offered some tips: Teach one tool at a time, keep it simple. "If I'd known it was someone from the NSA, I'd have gone and shot myself," she says.*

Yes, Asher Wolf, I'm sure you'd shoot yourself if it got out that you had *anything* to do with the NSA. We've got that in writing.

So you see, a.nolen readers, either I was wrong to lionize Snowden (probably the case) or Snowden was an unwitting dupe being used all along by US intelligence (less likely, I believe). So, this is a sad day of reckoning for your blogger. Snowden was *and probably still is* NSA/CIA. (Is there really a difference?)

A few things to think about going forward.

1) Why did Runa wait so long to talk?

> *Surprisingly, she [Runa Sandvik] was never contacted by the FBI–who would probably not find her cooperative anyway. "That puzzled me a bit," she says. "His girlfriend was filming it–the whole thing was on film. But the video was never put online, I'm told because the audio was bad."*
>
> *Last week Glenn Greenwald published his book on Snowden,* No Place To Hide*, which revealed the Cincinnatus*

> *nickname for the first time, leading me and others to the Oahu crypto party post. It turns out Snowden sent his first anonymous e-mail to Greenwald just 11 days before the party. At the time of the event, he was still waiting for Greenwald to reply.*

My thoughts: I'm not the only blogger to unmask Tor. Tor-Outing has gained critical mass. Perhaps Runa piped up now in a desperate attempt to save Tor as an intelligence asset by sprinkling it with Snowden's pixie dust.

2) Snowden's girlfriend, Lindsay Mills, who was lambasted for being an exotic dancer, seems to have got off pretty light, given that we now know she was more than a pretty face in the Snowden Saga. Watch this space.

3) Snowden's leaks are damaging to US intelligence, yet Snowden and his helpers are *clearly* US intelligence agents. Why did they leak Snowden's damaging information? Were they trying to cover up something more damaging? Is the real hero in the Snowden Saga someone we'll never hear about, because Snowden successfully sucked up everyone's attention with documents *that most of us will never see* ?

4) Russia and the US are cooperating over Snowden. If I can figure out that Snowden is, at best, being used by US intelligence, the Ruskies have done so looong ago. If they were acting against US interests, they could have blown Snowden's cover by calling him a spy and sending him home. *But they didn't.* If I were the Swedes, I'd reassess my relationship with Washington, pronto.

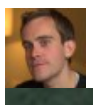
Either way, one less hero for my pantheon.

11 COMMENTS

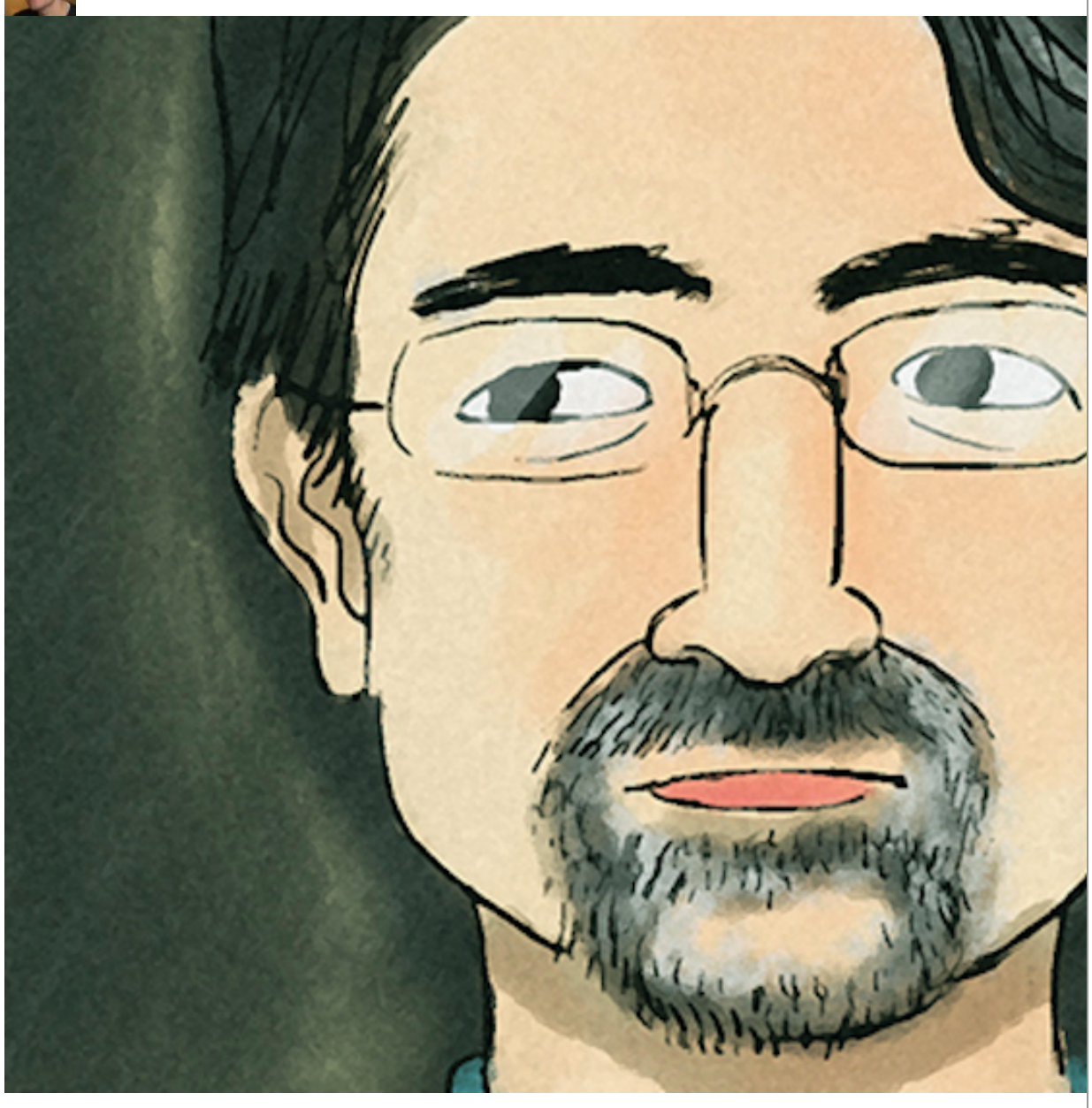
THE INTERCEPT GLOSSES OVER EBAY SPYING REVELATIONS, FAILS TO DISCLOSE HUGE CONFLICT OF INTEREST

anolen:

Glenn Greenwald stumbles trying to out do Jacob Appelbaum… Pierre, a better policy would admit the wrongdoing, then claim 'The NSA Made Me Do It'. Incompetent. The centipede has died, but it hasn't fallen over.



Originally posted on PandoDaily:



There's a fascinating, but largely overlooked, detail in Glenn Greenwald's latest story for the Intercept, about the tools available to the UK intelligence services for spying on their own citizens.

> Tucked away in a long list of capabilities is mention of:
>
> *A suite of tools for monitoring target use of the UK auction site eBay*

eBay is only one of two companies mentioned by name in the list, the other being Skype which, of course, was previously owned by eBay.

There are a couple of things to note about the inclusion on the list of eBay and one of their former acquisitions. First, as Pando's Mark Ames has previously reported, eBay has a long and proud history of working closely with law enforcement to provide access to users' account data.

> *From its earliest days, eBay has operated a vast trans-national private police force which has overseen thousands of…*

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LEAVE A COMMENT

THE AMBASSADRESS

Safety pins never looked so good.

This is the final post of three on CIA head William Egan Colby and his dealings with the KGB. The first post, which deals with Colby's KGB-connected media 'leak' team, is here. The second post, about why Colby leaked the 'Jewels' and My Lai, is here.

New readers should also know that Colby became involved in the SE Asian heroin trade during the 1960s, and continued to be involved (as general counsel to the drug-affiliated Nugan Hand Bank) until 1980, when a founder of Nugan Hand, Francis 'Frank' Nugan, was found dead next to Colby's "calling card". It's not certain that Colby ever left the drug trade, but he did leave the CIA in 1976.

Today I'm not going to talk about creepy media types or bureaucratic CIA politics. I'm not going to say anything more about Colby's KGB dealings. Today I'm going to offer a partial explanation for why Colby made the unfortunate choices that he did: why Colby thought he could get away with cooperating with the KGB; why he thought it was okay to hide from his crimes at the expense of the CIA or the Army; why he continued the drug-dealing… Colby thought he could get away with these things because the high-level Washington operators he hung out with were just as morally bankrupt and hypocritical as he was. 'Depraved' was Colby's 'normal'; his betrayals are exceptional, but not unusual amongst the type of people Colby ran with. *What are the people Colby ran with like?*

Sally Shelton-Colby will serve as a.nolen's 'Ambassador to William Colby's High-Level Washington D.C. Cronies and Surrounding Personalities'.

Carl Colby has called his stepmother a "coda" in his father's life and Carl is right. Sally Shelton-Colby *is* a coda in William Colby's life, but she's an important coda. Sally was Bill's choice of companion once he didn't have to wear the mask of morality anymore: when his public career was done, when he didn't need the image of a loving family, when the only thing left to him were lonely canoe trips and business meetings with criminals. You can tell a lot about people by who they choose to hang out with.

What type of person is our Ambassadress? Sally is a trusted servant of the American Empire, which means she's a globally-minded capitalist who has *a lot* of socialist friends; friends who she uses in whatever way will increase her power and prestige. Nothing is more important to Sally Shelton-Colby than Sally Shelton-Colby.

Bill Colby decided to risk working with his KGB media crew because he knew that *many* powerful people in Washington did such things and got away with it, people like Sally Shelton, who were willing to cooperate with (or marry!) Soviet-affiliated power-brokers as long as there was something in it for them. There was no social opprobrium against such behavior amongst his set; the only problems came if the little people found out.

As I describe Sally's connections, it's worth bearing in mind that socialism has always been supported by America's business elite because socialism promises vast, government-controlled riches. From Wall Street's perspective, socialism in Washington D.C. makes the US one big, juicy Aunt Millie. If you think Wall Street is wrong, consider what has happened to the first socialist country, Mexico.

Mexico brings us neatly back to Sally. It's hard to find out much about her, but if you persist, you'll be hit with this one piece of information again and again: "Sally Shelton-Colby used to be married to a Mexican Ambassador!" She tells this to everyone, every chance she gets. (I'm not kidding, google her and see for yourself!)

Although Sally tells everybody about her first hubby, she's very, very careful to never give his name. (Don't worry, I'll fix that later!) In 2011, she calls him "a Mexican ambassador"; in 2006, he's just "a Mexican"; but her biggest bean-spill of all was in her 1991 interview with Charles Stuart Kennedy, where she relates the sordid story of their short relationship.

By the way, this is how Shelton-Colby starts that interview with Kennedy:

> *"I was born in San Antonio, Texas. My Mexican friends say I'm really Mexican, because I was born in* tierra robada*, stolen territory."*

So says the second wife of the man at the heart of US national security, 1973-76! *That's our problem in a nutshell, America.*

But back to our main narrative– tell us more about the Mexican friend you married, Sally:

> *SHELTON-COLBY: During the period that I lived in Mexico, I had a very interesting experience, which really has, I would have to say, shaped the rest of my life and perhaps contributed in large part to my being named ambassador at a fairly young age. I married a Mexican politician,whom I had met at SAIS. My husband was very much involved in politics. He had worked for President Lopez Mateos.*
>
> *KENNEDY: He was part of the PRI.*
>
> *SHELTON-COLBY: Yes. His entire family was in politics. His father was a general in the Mexican Army. The marriage was unsuccessful, but from a professional point of view it was absolutely fascinating, because I had an experience which most foreigners don't ever get to have, and that is, I had a bird's eye view into the inner workings of the Mexican political system. Coming in and out of my parents-in-law's house were many of the politicians who are in office today, as very young people at the time. We constantly had Mexican military officers in and out of the house, because of my father-in-law. And my husband's family was a supernationalistic, anti-American family. Now this was very hard for me as a young woman who went there without speaking Spanish, although I had French and Italian, and I began to pick Spanish up very quickly. But it was very difficult.*
>
> *It was really, really, really rough and perhaps contributed to the breakdown of the very brief marriage. But I learned Spanish quickly. I learned to understand the way Mexicans think about themselves and about the United States. Mexico has a very unique culture. Perhaps that could be said about most cultures, but Mexico is very special in many, many ways. And they have their hangups about the United States.*

Background: PRI, the 'Institutional Revolution Party', is a member of the Socialist International; PRI has been Mexico's ruling party for 71 years since 1929. They're a party Wall Street can work with though, because they don't have any trouble making room for crony capitalists. US-Mexican relations suffered under President Lopez Mateos (1958-64), who was Castro-aligned.

So what did a "supernationalistic, anti-American", socialist Mexican princeling see in little blond Sally from Texas? I mean, it wasn't *just* the hair, because he brought her home to live with his parents… This is where the story gets interesting, readers.

You see, Sally met Mr. Mexico at SAIS, that's Johns Hopkins' Washington D.C.-based international affairs school. However, at the time of their first meeting, their love wasn't strong enough to do anything about. In fact, after meeting Mr. Mexico, Sally got on with her life. Shelton-Colby says she earned an "MA in international relations. And then I was offered a Fulbright to the Institut de Science, Politique, in Paris, and went off to Paris to do a project on Vietnam; as matter of fact, French-Vietnam relations since Dien Bien Phu."

But suddenly, in the middle of her French studies, Shelton-Colby "cut short" her Fulbright plans and left for Mexico because she *just had* to go cover for a professor there, even though she didn't speak a lick of Spanish. In 1969 Sally left France to teach 'Vietnam Right-Think' to unappreciative students in Mexico City, where she *just happened* to reconnect with Mr. Mexico from SAIS and *married him*— a relationship that didn't even last twelve months, but gave her inside intelligence on a *difficult* Mexican political family.

What brought these two lovebirds together? It couldn't have been Sally's American-ness; it couldn't have been name-recognition; it couldn't have been money. The one thing left that may have united our Texan and her princeling is socialism, even if only the cocktail variety. Frankly, at SAIS in the mid-Sixties, I wouldn't be surprised if fashionable political views were what united them. Fashionable socialism was *probably* the *hook*, readers, but look to Shelton-Colby's later career for the *reason* for her marriage.

After her fling with the princeling, Shelton-Colby says: "I left and came back to the United States, and was very fortunate to get a job, almost sight- unseen, with Senator Lloyd Bentsen." Lloyd Bentsen is a Texas-based Clinton crony who helped push through the NAFTA trade agreement: a globalist's dream-come-true, which has aggravated wealth disparities in the US and Mexico.

Sally quit teaching Mexicans about US Vietnam policy and returned to the US in 1971, the same year William Colby got outta Vietnam. I speculate, readers, that 1971 was the year Washington intelligentsia decided they'd gotten everything they could out of that ugly war.

I've canvassed some Mexican politics experts and it seems that Sally's Mr. Mexico is probably **Eduardo Jimenez Gonzalez**, who was Mexico's ambassador to Norway from 1975-77. From what I can find, he doesn't seem like such a bad guy: he's currently using his power and celebrity to protect his people from massive warrant-free government surveillance, thus working against his ex-wife's masters' desire for 'total information awareness'. I wish more American princelings would have Mr. Gonzalez's wisdom and bravery regarding personal privacy.

Ex-Mrs.-Gonzalez's loyalty to Washington was repaid with the

Ambassadorship of Barbados in 1979, a post Shelton-Colby held for *two whole years* under Carter. She was then made Vice President of Bankers Trust Co., where she was responsible for managing the bank's political risk in developing countries during the third world debt crisis of the 1980s.

Shelton-Colby was so good at 'managing third world debt' that she pops up next at USAID, representing a collaborative effort with the Securities and Exchange Commission (SEC):

> *USAID & SEC TO ADVISE EMERGING SECURITIES MARKETS ACROSS GLOBE UNDER NEW AGREEMENT SIGNED TODAY (Sept 2nd, 1997)*
> *The U.S. Agency for International Development and the U.S. Securities and Exchange Commission have teamed-up to provide expert assistance to securities regulators in USAID countries through out the world. The program is USAID-funded and jointly administered under a five-year, $4 million inter-agency agreement signed today.*
>
> *Technical assistance will be provided by SEC employees, principally to a country's regulatory agency and its stock exchanges. USAID missions' requests for SEC assistance will be coordinated through USAID's Global Bureau, Office of Emerging Markets. (Press Rel. 97-71)*
>
> ***"Who better than the SEC and USAID to team up to export u.s. expertise in this area and protect the interests of the U.S. investor?" commented USAID Associate Administrator, Sally Shelton-Colby.***
>
> *"The agreement is part of a continuing effort to use 'in-house' resources to support USAID's economic growth agenda and foreign assistance objectives," explained Russell Anderson, Director of USAID's Office of Emerging Markets. Robert D. Strahota, Assistant Director in the SEC's Office of International Affairs said, "This program reflects the SEC's commitment to strengthening global securities markets and making them safer for both American and foreign investors."* ***The agreement is modeled after a similar program with USAID in the former Soviet Union and Central and Eastern Europe.*** *Under this program, the SEC has provided U.S. and overseas training to several hundred senior capital markets officials from this region.*

Regular readers know what contempt I have for USAID and their fortune-hunting around the globe; my contempt doesn't just stem for clumsy psy-ops like ZunZuneo, but from the crime they perpetrated against Russia and the other countries of the former USSR in the 1990s, when they assisted the Harvard Institute for International Developments' creation of the oligarch class by cheating millions of regular people out of their shares in previously nationalized companies, leaving most of Russia starving and freezing in the 1990s. The SEC should be ashamed to be involved with Shelton-Colby and her USAID team, especially since the press statement invokes USAID's travesty in Russia. The press release doesn't say which other emerging markets were to be 'helped' by the Shelton-Colby crew.

(USAID skeptics: James Jesus Angleton's memo from Colby's 'Family Jewels' leaks includes a document about how the CIA was training USAID workers, as well as James Schlesinger's paper on how to use aid for political ends. Here's the full documentation. Angleton included these documents because he thought they had "flap potential".)

It appears as though Sally was working on the aforementioned SEC/USAID swindle when William Colby died in 1996 under mysterious circumstances– which isn't unusual for a drug lord. But don't think Mrs. Colby II is just about the dollars and cents!

Throughout her career, Shelton- Colby has supported benevolent organizations like the National Endowment for Democracy, the International Planned Parenthood Federation, the National Democratic Institute for International Affairs, the Atlantic Council of the U.S and the Center for International Environmental Law. She's also left her mark on academia…

What does Shelton-Colby's scholarly contribution look like? Take, for instance, her paper *The Volcano Down Below* (June 1986 edition of Armed Forces Journal), which she co-authored with Marshall Lee Miller. A Spanish-speaking scholar summarizes Shelton-Colby/Miller's conclusions this way: "the threat to Mexico's stability lies less in the prospect of a revolution of the kind that happened in Nicaragua and Iran, than the probability of a populist demagog rising to power within the system structure dominated by the PRI, as a result of years of deteriorating economic conditions."

You'll remember PRI as the Gonzalez Family party.

Shelton-Colby also participated in a sensitive 'Track Two Diplomacy" mission to Cuba during the Reagan administration: the hope was that academics would succeed where real diplomats had failed. After leaving sensitive USAID documents in her suitcase for Cuban intelligence to pilfer, Shelton-Colby and a feminist colleague were treated to an infamous Tropicana Club floor show by their communist hosts, which flapped American sensibilities. As author Howard Wiarda describes it:

> *The showgirls bump and grind, kick up their legs like the Rockettes and wear bananas and pineapples on their heads as if they were in some 1930s Bing Crosby- Carmen Miranda movie ("Flying Down to Rio"). The show was so old-fashioned, so corny, so counterrevolutionary that I thought it was hysterical in a campy sort of way. But our colleague, the radical feminist Helen Safa, was so offended by the performance that she could not restrain herself, and raised her voice to express her objections. In this case, the Cuban hosts behaved far better than the visiting American.*

It seems every aspect of this 'track two' mission was planned with great competence. I find it incredible that Shelton-Colby would bring sensitive

information with her to Cuba: could someone with her employment history really be so naive? She certainly wasn't naive about intelligence matters when she made her career in the Gonzalez household. I believe, readers, that like her second husband, Shelton-Colby was willing to make deals with the enemy if she thought she could get something out of it.

I think I've given readers a taste of what kind of person Sally Shelton-Colby is, and by extension, what type of person William Egan Colby was. I do not believe careers like Shelton-Colby's are uncommon in Washington, in fact, if you're 'in the loop', I believe such careers are the norm. Therefore, I'm not surprised Colby felt reasonably secure working with the KGB against his agency enemies or continuing his Golden Triangle drug trade. I mean, he *did* get away with it, didn't he?

Carl Colby interviewed Sally Shelton-Colby for *The Man Nobody Knew*, but he edited out all her footage: "She wasn't forthcoming about any insights into his character," Carl said. "The narrative ended. She's just a coda."

Shelton-Colby's career shows her to be an unprincipled, disingenuous, ugly person, *but she is the person who William Colby chose to spend the rest of his life with.* Shelton-Colby is an important coda to the Bill Colby story, and nobody's going to understand Colby without accepting that a woman like Sally Shelton appealed to him.

Perhaps one of the hardest parts of gaining wisdom is accepting that, sometimes, people who we really want to be noble and good *just aren't*.

LEAVE A COMMENT

WHY IS LLOYD SHEARER A FAMILY JEWEL? UPDATE

This is the second in a series of (what will be) three posts on William E. Colby's cooperation with the KGB. This post will assume knowledge of a few things:

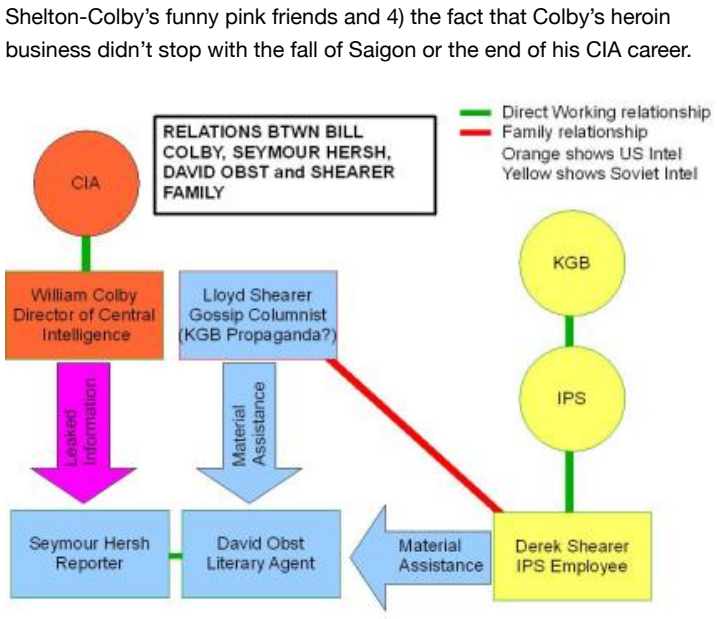
1) Colby's role in discrediting James Jesus Angleton, and removing him from the CIA through a number of means, one of which was leaking damaging information about Angleton to Seymour Hersh. Colby had almost all of Angleton's counterintelligence files burned. If you are unfamiliar with this, please read my post *Dirty Jobs*.

2) Colby's use of Alfred McCoy's book *The Politics of Heroin* to deflect criticism from Colby's involvement in the SE Asian heroin trade onto 'the CIA in general', and how Colby used Seymour Hersh and David Obst to promote McCoy's book in the press. If you are unfamiliar with this, please read my post *Managed Opposition*.

3) David Obst's connection with the KGB through Lloyd Shearer and his son, Derek. David Obst was the agent for most journalists who leaked CIA secrets in the 1970s, including Seymour Hersh, Bob Woodward, Carl Bernstein, Brit Hume and Rand employee Daniel Ellsberg. If you need more info: *Did William Colby Help the KGB?*

If you've read all that and are still with me, thank you.:) I will now look at what Colby leaked during his tenure as the CIA's Executive Director and Director of Central Intelligence (DCI). (I'll look at the information flow represented by the purple arrow on the diagram below.)

That purple arrow represents the second of four points which, I believe, point to Colby's cooperation with the KGB: 1) David Obst's KGB connection, 2) Colby's gratuitous leaking during his CIA career, 3) Sally Shelton-Colby's funny pink friends and 4) the fact that Colby's heroin business didn't stop with the fall of Saigon or the end of his CIA career.



Here is a list, in chronological order, of the leaks I believe Colby made to Seymour Hersh and his manager David Obst.

1) Colby *PROBABLY* leaked details around the 'My Lai Massacre' in 1969.

2) Colby *PROBABLY* orchestrated the leaking of the CIA's involvement with heroin smuggling in 1971, which ultimately resulted in Hersh's scoop for the *New York Times* and McCoy's landmark study *The Politics of Heroin*. (See my post *Managed Opposition*.)

3) Colby *DEFINITELY* confirmed (at least) Angleton's HT LINGUAL and CHAOS programs on December 20, 1974. (Angleton thought Colby was the original leak too, see Tom Mangold's *Cold Warrior*.) Colby *DEFINITELY* leaked information on "dozens" of other CIA 'Family Jewels' in 1974: Bill Colby was "the leaker at the top", in the words of his son Carl. For an idea of what else Colby gave Hersh, read Hersh's Dec.

22nd 1974 *NYT* story.

I believe, readers, that Colby was responsible for three major leaks from the CIA during the years 1969-74, all of which where leaked through the Hersh/Obst pairing. I will explain the first and last of these leaks in today's post.

Why would Colby leak My Lai?

The 1969 My Lai scoop is what made Seymour Hersh's name as a journalist, and according to David Obst, Hersh's My Lai story was the first time the pair worked together. Colby's crack media team was formed for the My Lai scoop.

How did Hersh hear about My Lai? From what I can find, Hersh is supposed to have got a 'tip' in 1969 to interview U.S. Army Lieut. William L.Calley, which lead to the discovery of the 'My Lai Massacre'. Who could have given this tip?** Consider that in 1969 Colby was the CIA's top man in the Far East and he was *just about* to leave for an important D.C. post. He knew he'd have to white-wash his heroin dealings, but there was his ugly Phoenix Program too, where the CIA assisted in torture and assassinations which ended up killing something like 30,000 suspected Viet Cong. As head of Far Eastern intel, Colby would have known about My Lai, which was **already being investigated and prosecuted** by the US Army when Seymour Hersh leaked it. (See David Obst's autobiography *Too Good To Be Forgotten,* p.164.) Perhaps Colby thought it would be better if nasty, violent stuff was *publicly* pinned on the Army first, rather than on his own CIA ops? Today, I'd say more Americans know about My Lai than the Phoenix program, even though Phoenix killed sixty times as many people.

The My Lai incident caused widespread revulsion in the USA; imagine what it would have done to William Colby's Washington career if it got out that something sixty times worse was directly attributable to him. Colby would have gained a lot by leaking My Lai information to Hersh/Obst at the time that it was leaked, and looking backward, Colby's *modus operandi* throughout his career was to leak through Hersh/Obst. *If the shoe fits.*

Not only did Colby have reason to hide the Phoenix Program, but he was *acutely aware* of his reasons. I can say that with certainty, because of the last, and most unusual, of William Colby's 'CIA Family Jewels' leaks five years after the Mai Lai scoop in '69. The last of Colby's 'jewels' leakage is a series of letters between Colby and Derek's dad, Lloyd Shearer, the gossip columnist.

Why are these letters part of the 'Family Jewels'? In 1972, Shearer wrote in his *Personality Parade* column that the CIA used assassinations as a political tool as part of the Phoenix Program, which upset Colby terribly. Colby wrote Lloyd a letter in an attempt to white-wash Phoenix and pressure Lloyd into writing a retraction. An *astounding* correspondence ensued… which Colby entered into his famous 'Family Jewels' leaks!

Colby's 1969 My Lai leak has a direct connection with his 1974 'jewel' leaks via his letters to Lloyd Shearer. Colby had to protect Phoenix in 1969, then again in 1972. I'll look at the 'jewel' leaks next.

Why *is* Lloyd Shearer a Family Jewel…

The 'CIA Family Jewels' are a series of reports that DCI James Schlesinger asked the other CIA directors to prepare for him in 1973. The Jewels stank of rear-guard from day one: Schlesinger held his post for about six months, and during that short time one of his priorities was to make sure nothing with "flap potential" could be pinned to him. If Schlesinger was concerned about the agency, he would have discretely asked each director for sensitive information during face-to-face meetings. Instead, he armed a paper bomb…

… which fell into the lap of his replacement, the KGB-connected William Egan Colby. What we know as the 'Jewels' are a selection of heavily redacted reports that Colby chose to leak from Schlesinger's original collection, with some 'updates' that Colby requested. Colby's 'Family Jewels' are a dishonest collection of documents designed to smear Colby's CIA enemies, cover his own scandals and provide some useful information to Colby's KGB partners. A redacted set of the 'Jewels' wasn't declassified until 2007.

First the small fry: there is very little information on the juicy topics that the press continually harps on, such as spying on Black radicals or political conventions, John Lennon's political donations, mind-control, etc. There's only enough detail on who was targeted to make newsworthy soundbites, which I think was Colby's intention. The majority of information that is given about these juicy topics centers around in-house aspects, like who got copies of the questionable program's findings, or whose department was involved in the program.

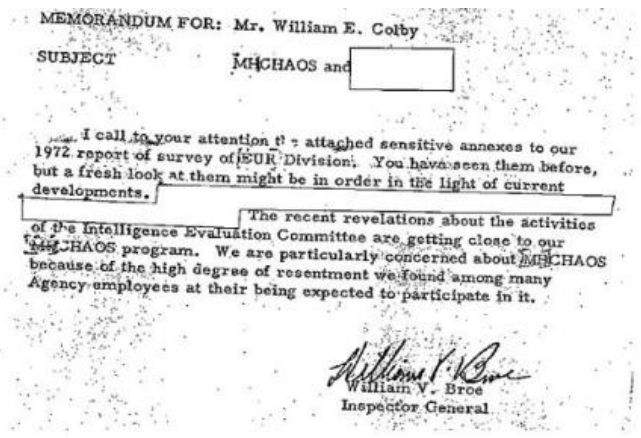
What is notable about these juicy tidbits, is that they almost invariably show the CIA targeting liberals. As readers are aware, starting at the end of WWII the CIA battled with the KGB for the hearts of the political left, (read Francis Stonor Saunder's *The CIA and the Cultural Cold War*.) Colby's selected leaks played into the lie that the CIA is a conservative institution which tries to undermine the Left. Colby's 'jewel' selection was a boon to his KGB buddies, because these 'jewels' sowed distrust between the agency and the Left, which in turned strengthened the Soviet/Communist appeal to liberals.

The CIA is not a conservative organization– far, far from it. As Carl Colby says in his interview with Q&A's Brian Lamb:

> *LAMB: By the way, what was – from what you can remember, what were his [William Colby's] politics?*
>
> *COLBY: You know it's funny you say what were his politics. I would say he was an FDR liberal. He was JFK kind of*

incarnate. He was extremely active, obviously in World War II. He drank the milk of FDR. He believed in – he was a Democratic activist I would say, labor lawyer, truly. Conducting sort of activist rallies, and supporting down-trodden workers – seriously – and I think going into the CIA I think a lot of people were from Yale and especially all the Ivy Leaguers; they were pretty liberal. And they were liberal like JFK was liberal.

If you don't believe Carl Colby about the CIA's overarching political leanings, consider that the agency was set up by FDR and his cronies, or this rarely-quoted extract from the 'jewels' themselves:



MEMORANDUM FOR: Mr. William E. Colby

SUBJECT MHCHAOS and [redacted]

I call to your attention the attached sensitive annexes to our 1972 report of survey of [redacted] Division. You have seen them before, but a fresh look at them might be in order in the light of current developments.

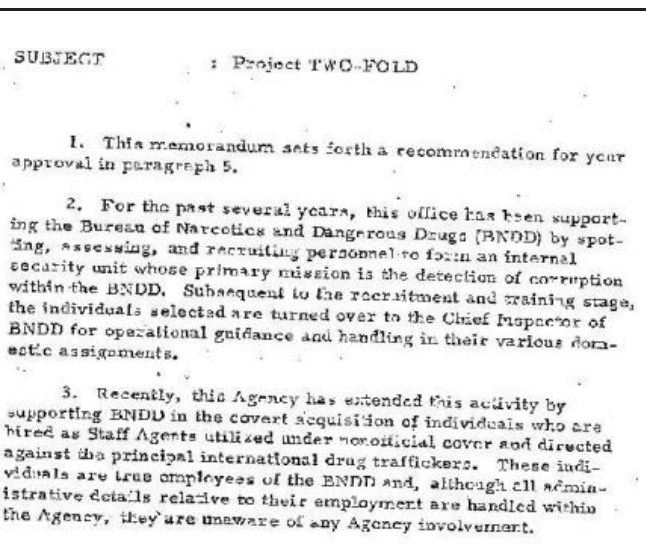
[redacted] The recent revelations about the activities of the Intelligence Evaluation Committee are getting close to our MHCHAOS program. We are particularly concerned about MHCHAOS because of the high degree of resentment we found among many Agency employees at their being expected to participate in it.

William V. Broe
Inspector General

Page 327/703 from the 2007 Family Jewels declassification, in a memo about Angleton's CHAOS program, from Inspector General William V. Broe to William Colby. Operation CHAOS spied on student anti-war activists.

What about the documents which provide more than sound-bites? Colby's in-depth 'jewels' focused on his CIA and political enemies. Many of these more in-depth documents were damaging to James Angleton; former DCI John McCone and the White House. Colby hated Angleton because Angleton investigated Colby's KGB ties in Vietnam; I know that Colby was afraid of Richard Nixon; I do not know about Colby's relationship to McCone. I suspect that Colby had a bone to pick with whoever was running the agency's 'aliases' (fake ID's) department and the program which equipped/trained domestic police too. It's clear from some of the reports that various directors were clued into what Colby wanted them to say, and of course, *nobody* was worried that any drug trafficking connections might come out…

Interestingly, some of the 'jewel' reports are accompanied by special notes from Colby himself. For instance, this one about CIA cooperation with the Bureau of Narcotics and Dangerous Drugs (BNDD), code-named PROJECT TWO-FOLD:



SUBJECT : Project TWO-FOLD

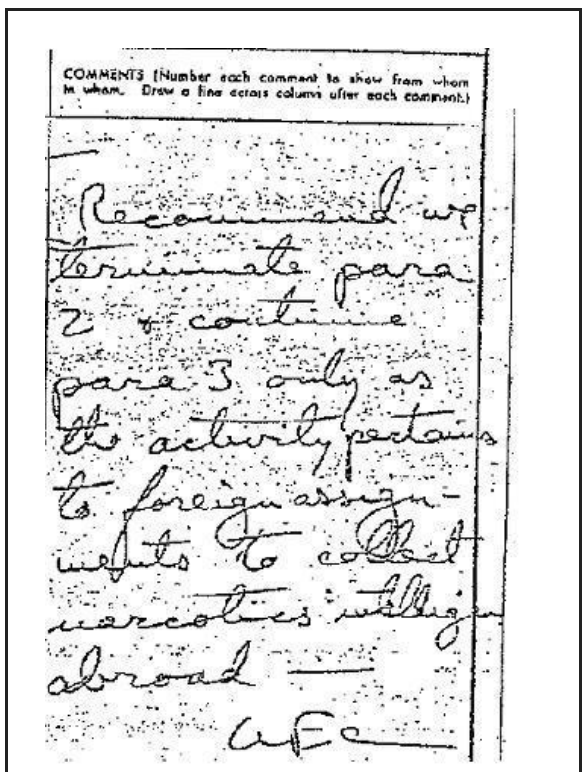
1. This memorandum sets forth a recommendation for your approval in paragraph 5.

2. For the past several years, this office has been supporting the Bureau of Narcotics and Dangerous Drugs (BNDD) by spotting, assessing, and recruiting personnel to form an internal security unit whose primary mission is the detection of corruption within the BNDD. Subsequent to the recruitment and training stage, the individuals selected are turned over to the Chief Inspector of BNDD for operational guidance and handling in their various domestic assignments.

3. Recently, this Agency has extended this activity by supporting BNDD in the covert acquisition of individuals who are hired as Staff Agents utilized under nonofficial cover and directed against the principal international drug traffickers. These individuals are true employees of the BNDD and, although all administrative details relative to their employment are handled within the Agency, they are unaware of any Agency involvement.

Check out paragraphs two and three.

What does Colby deign to tell us?



COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

Recommend we terminate para 2 + continue para 3 only as the activity pertains to foreign assignments to collect narcotics intelligence abroad —

WEC

"Let's stop looking for corruption, but keep staffing our guys in foreign narc ops." – William Egan Colby

So says the SE Asian drug kingpin!

I think I've given you a taste of what 97% of the 703 pages that make up the 'CIA Family Jewels' are about. The remaining few pages, those dealing with the weird correspondence between Colby and Hollywood gossip-monger Lloyd Shearer are what I'll end with now.

The Colby/Lloyd Shearer letters are the only instance of extended

non-government correspondence in the 'jewels' and they even contain hand-written notes from Colby, as he frantically planned his first letter to Shearer in a desperate attempt to white-wash the Phoenix Project. Note that Colby had *probably* first tried to hide Phoenix behind My Lai three years earlier, when he began working with Lloyd Shearer's protégé Obst. **So it's likely Lloyd Shearer knew about Colby's arrangement with Obst when he first published the Pheonix Program comment in his column.**

I've arranged these Colby/Shearer letters in chronological order on their own page, so that you can read the originals as they appear in the 2007 release of the 'Jewels'. I'm including the text of the letters below.

This is the news item that freaked Colby out:

Q. Is there any agency of the U.S. Government which has been authorized to include political assassination in its practices?—M. Wilson, Austin, Tex.
A. The one U.S. agency which uses political assassination as a weapon is the Central Intelligence Agency. Many of its men in Vietnam have assassinated civillan Communists in an effort to destroy the Vietcong infrastructure. Operation Phoenix run by the CIA established a new high for U.S. political assassinations in Vietnam, largely in response to enemy terrorist tactics which also include assassination, kidnapping, terrorism of all sorts.

From Lloyd Shearer's *Personality Parade* column.

This clip prompted Colby to write Shearer a letter, which Colby asked Angus Thuermers, George Carver, General White, CIA General Counsel and a department called DD/P to review before sending to Lloyd Shearer.

Dear Mr. Shearer:

In your issue of January 9th, one of Walter Scott's Personality Parade responses stated that CIA "uses political assassination as a weapon" and that Operation Phoenix "run by the CIA established a new high for U. S. political assassinations in Vietnam." Since I have held responsible positions in CIA for many years and was also (during detached service from CIA) responsible for U. S. support to Operation Phoenix, I believe I am uniquely qualified to testify (as I have in public session under oath to Senate and House Committees) that:

a. CIA does not and has not used political assassination as a weapon.

b. Operation Phoenix was run not by the CIA but by the Government of Vietnam, with the support of the CORDS element of the U. S. Military Assistance Command in coordination with several U. S. agencies including CIA.

c. Operation Phoenix is not and was not a program of assassination. It countered the Viet Cong apparatus attempting to overthrow the Government of Vietnam by targetting its leaders. Wherever possible, these were apprehended or invited to defect, but a substantial number were killed in firefights during military operations or resisting capture. There is a vast difference in kind, not merely in degree, between these combat casualties (even including the few abuses which occurred) and the victims of the Viet Cong's systematic campaign of terrorism to which Mr. Scott quite accurately referred.

In order to clarify this important question to the millions of concerned Americans who read Parade, I should appreciate your publishing this letter.

Sincerely,

/s/ W. E. Colby

Lloyd Shearer's reply…

Dear Mr. Colby:

Thank you for your kind and informative letter of January 11 concerning Operation Phoenix.

I don't want to get into a running word-battle with you on the subject of political assassination in Indo-China or the role of CIA and other of our agencies in Operation Phoenix.

I am just wondering if you would care to say flatly that the CIA has never used political assassination in Indo-China or elsewhere and has never induced, employed, or suggested to others that such tactics or devices be employed.

If you will make that flat statement under oath, I will not only apologize, I will tango with Dick Helms in Garfinckel's largest show window at 14th and F--providing, of course, Mrs. Helms gives her permission.

Again, I thank you for your interest and commend you for the really outstanding service you have rendered the country. You are indeed one of Helms' finest.

Respectfully,
Lloyd Shearer

Colby fires back…

Dear Mr. Shearer:

Thank you for your letter of February 7, 1972, and its kind words about me. As you can imagine, your challenge set me to work to meet it. As a result I can say, under oath if need be, that CIA has never carried out a political assassination, nor has it induced, employed or suggested one which occurred. Whether this fully meets your challenge, I cannot say (it takes two to tango), but it is a long way from the original statement in Mr. Scott's column that CIA "uses political assassination as a weapon." Perhaps I am too sensitive, but I would hope you could set the record straight for your readers.

Sincerely,

/s/ W. E. Colby

To which Shearer gives this *shocking* reply…

Dear General Colby:

(1) Thank you for your article, "Should Lesbians Be Allowed To Play Professional Football?" I found it intriguing, and we plan to run it in a future issue under your by-line, of course.

(2) Thank you for arranging a tango with me and Dick Helms of Her Majesty's Tel Aviv Rifles. Even At Williams, Dick was one of the great tango-artists of our time. Garfinkels, Woodrop-Lathrop, even Hachts---in fact,any place and time of your choosing is O.K. with me.

(3) One sad note! Will you tell Angus we cannot use his new car bumper sticker: LICK DICK in '72, because it is open to misinterpretation. In addition, we try to remain politically neutral.

(4) As to your willingness to say under oath that the CIA has never been party to political assassination, I, of late, have been travelling a good deal. In the course of my travels I happened to encounter Oleg Penkovsky--not your Oleg---but Penkovsky, a bartender in Cleveland, Ohio. Penkovsky told me that you signed a secrecy agreement, Form 270, witnessed by Victor L. Marchetti. Under the terms of this agreement you are pledged to eternal silence concerning CIA activities. Unless you have a special Papal dispensation--- the kind given Allen Dulles and Lyman Kirkpatrick,Jr., it seems to me you are lip-sealed.

Perhaps this does not apply to hearings before the Senate Foreign Relations Committee or the prestigious Council on Foreign Relations. If this is so, please let me know; and we will take it from there.

(5) I will be in Washington shortly staying at the home of Jack Anderson out in Silver Spring. Perhaps we can meet there for a small summit. I will have with me several former Green Beret members who want to discuss with you the subject of CIA imposters in South Vietnam, who lied to them and me, too.

Let me hear from you. All the best,

The 'Angus' Shearer mentions is likely Angus Thuermer, who reviewed Colby's first letter.

After that, Colby sends out this internal CIA note:

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	DCI		
2	DDCI - FYI		
3	Mr Thuermer		
4			
5			
6			

	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks:

I suggest we let the whole thing drop

FROM: Executive Director

DATE 4 MAY 1972

UNCLASSIFIED | CONFIDENTIAL | SECRET

Isn't it incredible that a gossip columnist could treat the executive director of the CIA with such disrespect? I suggest the reason for Lloyd's attitude was that he knew perfectly well what the relationship was between his protégé Obst and Colby, and therefore felt he had power over Colby. By Colby's reaction to Lloyd, I'd say Lloyd's feelings were well-founded.

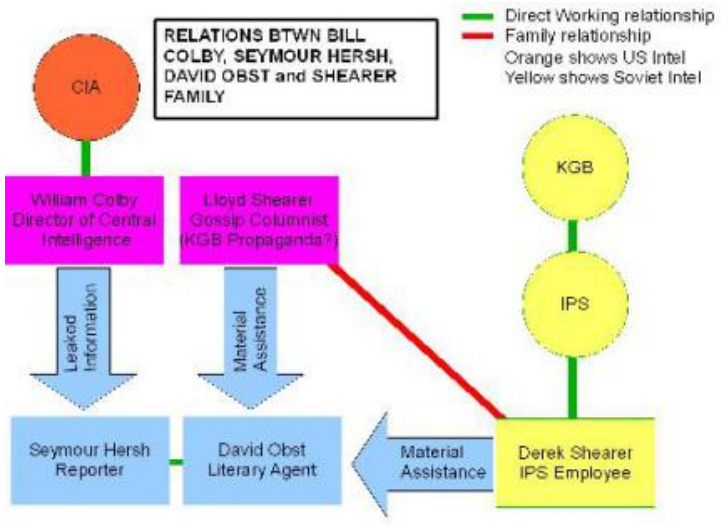
It was very aggressive for Lloyd Shearer to bring up the names of Victor Marchetti (co-author with David Obst's *probable* roomie John Marks of the book *The CIA and the Cult of Intelligence*) and Jack Anderson (who first reported the Castro assassination attempts). Both Anderson and Marchetti were being secretly watched by the CIA **at the time Shearer was writing** because of their connection to leaked CIA information. Shearer is effectively saying to Colby: "Be careful, my contacts are better than you think and I'm onto you."

What Colby inadvertently admitted by leaking his own correspondence is that after writing to Lloyd, Colby realized Lloyd Shearer could be dangerous to him, probably because of the Obst-Derek Shearer-KGB connection. The letters show Colby realized it was unwise to push Old Man Shearer further. I don't think Colby intended to reveal this, I believe Colby thought that no one would give Lloyd's letters context by talking like David Obst has, so Colby's KGB media connection would remain secret. I think that when Colby included this *very odd* Jewel in the bunch, he thought he was giving himself the chance to white-wash the Phoenix Program more fully– to say all the little niceties his lawyers advised him not to say the first time. (That's why he included his hand-written notes.)

When we practice to deceive… we reveal our KGB!

Tune in next week, when I talk about the witch Colby left his real family for!

P.S. To be absolutely clear, the Colby-Shearer correspondence I've documented above is a correspondence between the two men highlighted in purple on my flow chart:



** A kind reader just informed me that Seymour Hersh has stated that the My Lai 'tip' came from Geoffrey Cowan, the son of former CBS television network president Louis G. Cowan. This doesn't change my opinion that Colby was the ultimate source of the My Lai leak, because there's nothing in Cowan's background which makes it natural for him to have knowledge about an on-going Army investigation… unless, of course, somebody called his dad asking for the best way to present certain information to the American public! Cowan's involvement does provide an interesting insight into the mechanics of how, I believe, Colby covered himself on the Project Phoenix issue. Thank you!

1 COMMENT

DID WILLIAM COLBY HELP THE KGB? <UPDATE>

William Colby with this first wife, Barbara, and their children.

About a week ago, I wrote a post titled *Managed Opposition* which described how CIA director William Colby used Alfred McCoy and his book, *The Politics of Heroin*, to deflect attention away from Colby's own heroin dealing. Colby worked with Seymour Hersh and a guy called David Obst to promote McCoy's *The Politics of Heroin* in the media.

Since then, I've read Obst's autobiography; watched Carl Colby's documentary on his dad *The Man Nobody Knew*; re-read the 2007 declassified version of the CIA's 'Family Jewels'; and done a little digging on Ambassador Sally Shelton-Colby.

I was ready to write a post with a screaming headline, such as: "*If You Didn't Believe Colby was KGB after Angleton , Wait 'Till You Hear This…*"

I was primed to write such a post, because I've hit on a few more things which *suggest* Colby was helping the Russians. These things are 1) David Obst's KGB connection; 2) Colby's gratuitous leaking during his CIA career; 3) Sally Shelton-Colby's funny pink friends; and 4) the fact that Colby's heroin business didn't stop with the fall of Saigon or the end of his CIA career. (Who kept supplying Colby's network, eh?)

I didn't write a post screaming 'KGB', because I realized that there's a little more going on here than 'Colby is a Double Agent'. To call Colby a 'double agent' would imply that he had loyalty to the Russians. Colby had loyalty to no one: he regularly gave information which damaged the CIA to his KGB-assisted media team *so that Colby could protect himself or take down his enemies inside the CIA*. Colby was an unprincipled man who did *anything* for power, irrespective of the consequences to his family, the CIA or the USA.

So, as I explain David Obst's KGB ties and how Obst and Seymour Hersh were (consciously) ran as Colby's media-spinning operation, I ask readers to recognize that Colby *probably was* a Russian agent, but also that he would have worked with Mossad, the Cubans, the Chinese… anybody who was useful to him at the time. Colby was a much, much worse type of traitor than merely a 'double agent'.

David Obst: William Colby's Weakest Link

David Obst first came to my attention through Alfred McCoy. In McCoy's preface to the 1991 edition of *The Politics of Heroin*, he says Obst offered to find him a publisher when 'the CIA' started to complain about McCoy's work. When McCoy ended up not needing another publisher, Obst leaked McCoy's story to Seymour Hersh, who wrote a very cautious article about how 'The CIA doesn't want you to read this book!'. You can imagine what that did for sales.

The point is, David Obst was the midwife who birthed the CIA heroin scandal into the public consciousness. In fact, David Obst spent most of the seventies birthing CIA scandals into the public consciousness. Seymour Hersh says it best:

> *"Whether it be My Lai, Watergate, The Pentagon Papers, or any of the other tumultuous events of that era, Obst seems to be in the middle of it."*

Obst was the 'manager' who helped these scandal-stories get placed in the right newspapers and on the right television shows. In addition to being an agent for Seymour Hersh (My Lai reporter); Daniel Ellsberg (The Pentagon Papers leaker); Brit Hume (targeted journalist in the CIA 'Family Jewels') and Carl Berstein/Bob Woodward (Watergate Scandal reporters); Obst *makes a strong suggestion* that he was roomies with John Marks, the guy who made the CIA's MKUltra/ LSD program famous with books like *The Search for the Manchurian Candidate****. Obst *really does* have a connection with every CIA disclosure during the tumultuous seventies.

What Obst won't tell you, is that the information for some of his big scoops came directly from the head of the CIA himself, Bill Colby. Carl Colby, in an interview with Q&A's Brian Lamb , says this:

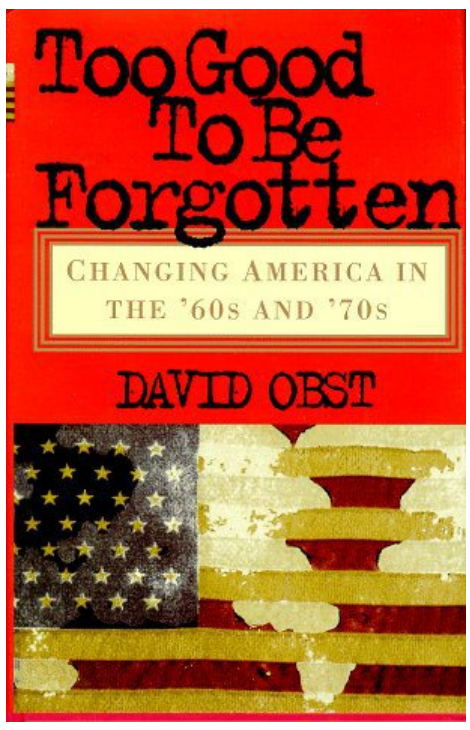
> *LAMB: Quick clip [From Carl's documentary on his father William Colby]. Only 30 seconds with Seymour Hersh, ask you why you talked to him . VIDEO BEGINS [Hersh] I did learn from people inside the agency that there had been these documents called the family jewels and I had your father's one number and I called him. He did see me and he didn't lie to me. What he did was, if I said there was at least 120 cases of wire breaking, or wire tapping of American citizens in our country to the law, in America, he said my number is only 63; it was a question of numbers. He did not back away from the question of wrongdoing and so that's one hell of a story. VIDEO ENDS*
>
> *LAMB: The fellow that broke the My Lai story.*
>
> *COLBY: Seymour Hersh says a little bit more than what you might even imagine by what he just said. If you trace back to what he said, he said he was pivotal to the publishing of that story. So my father was the source in some ways for that story.*
>
> *LAMB: The leaker.*
>
> *COLBY: The leaker at the top. Now, you might say, my God, why would he do that? I think my father was doing what he said he was going to do. Is that he was going to keep the good secrets and let out the bad secrets.*

The Colby Clan are a **study** in self-righteousness and denial; I'm sure Carl will insist papa's work for Nugan Hand was motivated by the greater good too. What's important about that quote is that it shows how much discretion Bill Colby had in what he chose to release through the 'Family Jewels'. Many intelligence-types felt Colby gave out unnecessary information– General Walters, is one example. From Carl's documentary:

> *When the Church Committee got rolling, he [Colby] began to reveal things about the history of the agency that did not have to be revealed at that time. And at one of the morning sessions, General Walters, who was his deputy, said to him, "Well Bill, I'm a Catholic too. And I believe that it is enough to go to the confessional, and to tell one's sins in the confessional. One doesn't have to do that before Congressional committees." [Colby wore his Catholic faith on his sleeve. — a.nolen]*

I will come back to what and how much Colby leaked later, but for now I'd like to point out that Obst was the man who placed what Colby leaked through Hersh.

So Obst was a lucky man, wasn't he? How does somebody get a sweet deal like Obst's connection with William Colby?



David Obst's book about himself, which he had Derek Shearer look over before publishing in 1998.

Obst's career was nurtured by the Shearer family, who Obst describes as "not only a different class from everyone I'd ever known (they didn't have milk cartons or ketchup bottles on the table at dinner), but they had a different mind-set as well". Obst, the future-Revolutionary, was an unabashed social-climber in his teens! During his youthful trips to the Shearers' Xanadu Obst absorbed their world-view.

The patriarch of the Shearer family, Lloyd, was a Hollywood gossip monger and influence peddler who, according to Obst, entertained "astronauts, movie stars, artists, and politicians. All tried to ingratiate themselves so they could get mentioned in the paper". Lloyd's son Derek became Obst's friend, eventually introducing Obst to close pal Bill Clinton.

WALTER SCOTT'S

Personality Parade

Col. Hollon and President Reagan: No exposure

Q. President Reagan received blood transfusions following the attempt on his life in 1981. As there was no screening of blood then, doesn't this mean he is a "high-risk" candidate for AIDS? Has he ever been tested for AIDS? Do we have a right to know the results? —Robert B. Andrews, Boston, Mass.

A. Col. Jerry Hollon, Reagan's White House physician, says: "The President was last tested for AIDS and the presence of the HTV virus, said to precede the disease, on Dec. 12, 1986. All the pertinent tests were negative. The President has neither AIDS nor the antibodies indicating exposure to the virus."

Q. Is Anne Morrow Lindbergh, widow of the world-famous flyer, still living and writing? If so, how old is she and where does she live? Did she raise four or five children after Charles Lindbergh Jr., kidnapping, said kidnapper? And who are they? —Elizabeth Norton, Lovington, Wyo.

A. Anne Morrow Lindbergh is 82, still writing and lives in the Connecticut area. Following the kidnapping and murder of Charles Lindbergh Jr. in 1932, she gave birth to Jon (1932), Land (1937), Anne (1940), Scott (1942) and Reeve (1945).

Anne Lindbergh, 1929

Q. While touring Great Britain for several months, I gathered that Prince Charles, who one day will occupy the British throne, is estranged from his father, Prince Philip, the Duke of Edinburgh. It is a fact that this strained father-son relationship has been kept hidden from the British public? —Arthur Levitan, San Pedro, Calif.

A. Prince Charles, 38, and his father, the Duke of Edinburgh, 67, do not get along too well, but they are not estranged. The Duke, no mental heavyweight, is by nature aggressive, competitive, feisty, racing-wilted and primarily physical. His eldest child, although a great athlete, is interested in the life of the mind. He is sensitive, literary, musical, responsive, perceptive and thoughtful. He is more tolerant and understanding than his father, who reportedly bullied him as a boy—something Charles has never forgotten.

It has been rumored in England for years that Prince Charles preferred the companionship of his Godparent "Uncle Dickie"—Lord Louis Mountbatten, who was assassinated by the Irish Republican Army in 1979—to the company of his father, in whom brusque manner he declines to follow. Having frequently encountered the rough side of his old man's tongue, Charles, it is said in court circles, does not resist many of the same. He stays away from the Duke, whose favorite child reportedly is his only daughter, Princess Anne, who by reputation is as frank, forthright and ingenuous as he.

The Princes Philip and Charles: Chilly relations?

Q. Linda Eastman, who married Beatle Paul McCartney—what was her family name before she married, and where did she go to school? —Corey Frank, Stanford, Conn.

A. Linda's family name was reportedly Epstein. She was graduated from Scarsdale High School in Scarsdale, N.Y., and briefly attended Sarah Lawrence College in Bronxville, N.Y.

Only their tailors know: Gentleman and Kitten

Q. When Brigitte Nielsen married Sylvester Stallone, did they really celebrate by having their backsides tattooed as evidence of their great love for each other? —Mary W., Marion, Ill.

A. Not true of Nielsen and Stallone, but reportedly true of Nielsen and the lover who followed Stallone, New York Jets' football player Mark Gastineau.

Q. Who is the agent who handles Eddie Murphy's television production company? I understand Mr. Murphy is in the market for a beautiful girl to act in a half-hour sitcom, not necessarily opposite him. —Lora T., Tenafly, N.J.

A. Eddie Murphy Television, which is based on the Paramount Studios lot in Hollywood, is represented by the William Morris Agency. The agency knows nothing at this time of the vacancy or casting search you describe.

PARADE

THE SUNDAY NEWSPAPER MAGAZINE

SEPTEMBER 4, 1988

Lloyd Shearer's gossip column, which he wrote under the name Walter Scott. Classy.

What help, exactly, did the Shearers provide David Obst? This is what Obst tells us:

1) Lloyd Shearer lead Obst to study in China, where he recorded testimonies from Christian missionaries who were in China during WWII. (Missionaries have always been a valuable third-party source of intel for Western powers, though Obst claims he was working for academic purposes only.)

2) Lloyd Shearer got Obst and his son Derek press passes so that Obst could cover the Yippie riots/ 1968 Democratic National Convention in Chicago and jump-start his news career.

3) Derek Shearer provided Obst with a place to stay while Obst began his working relationship with Seymour Hersh in Washington D.C.

Whenever David Obst needed something, a Shearer was there to give it to him. Despite this, **Obst never gives Derek's last name in his autobiography, and never names Lloyd at all**. Neither Shearer is listed in the autobiography's index, even though they have their own chapter in Obst's book! (I had to work Derek's last name out from who his sister married.) Is Obst ashamed of his Shearer connection? If not, why obscure the men to whom he owes his career?

David Obst has one very good reason to be nervous about his connection to Derek Shearer. Derek Shearer brought a scandal to the Clinton Administration when it came out that Derek, Clinton's Ambassador to Finland, has deep ties to the infamous Institute for Policy Studies (IPS).

Derek Shearer today.

IPS is not just a think tank which promotes socialist/Marxist viewpoints; it is an organization that actively cultivates KGB contacts and is used by the KGB to recruit spies. IPS hosted ex-CIA agent and Soviet tool Philip Agee's publication *Counterspy*, which outed Athens' CIA station chief Richard L. Welch who was subsequently murdered. This information on IPS's KGB connections is provided by Dutch journalist Emerson Vermaat here, where he also lists his sources. Vermaat's homepage is here.

David Obst's silence about Derek Shearer adds weight to Vermaat's claims; Obst's silence about Lloyd Shearer suggests the KGB connection goes even further back. (Obst does mention in his autobiography that 'some guy in his commune' wanted to donate Obst's money from the Ellsberg/'Pentagon Papers' leaks to IPS, p.186.)

What did Derek do for IPS? It's hard to say, because after the blow-up around his Ambassadorship, he tried to distance himself from the institute. (He doesn't mention IPS in his Occidental College bio.) However, here's one description of his work for IPS which I found on ProgressiveCities.org:

> *The Conference on Alternative State and Local Policies emerged in the 1970s when a few, then dozens and hundreds of activists who had come from the student, anti-war, civl rights and neighborhood movements began to seek office in state and local governments in the 1970s. The actual beginning came when Lee Webb, who had been national secretary of the Students for a Democratic Society, began working on legislation in Vermont and found others with similar interests in other parts of the nation. Webb found grant moneys, connected with Derek Shearer and others, worked within the Institute for Policy Studies (IPS) and by 1975 Webb and Shearer committed to traveling the nation to collect examples of legislation, policy papers and ideas, which they eventually published in "Readers," for national conferences, while IPS volunteer staffer Barbara Bick produced a quarterly newsletter.*

Gramscian enough for you? The Conference in question featured luminaries like Barney Frank. IPS was founded by Wall Street banker and FDR crony John Jay McCloy using money from Sears heir Philip Stern, banker James Warburg and the Samuel Rubin Foundation. Where's Wondergood!?

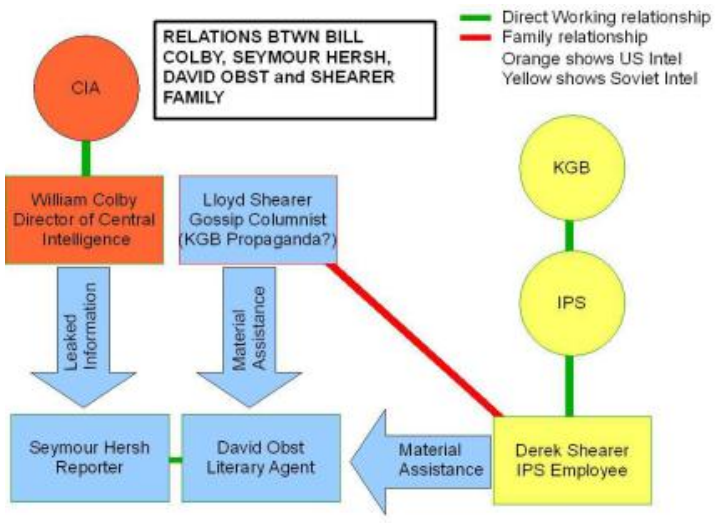
Recap: William Colby's crack-team of CIA leakers, Seymour Hersh and Daniel Obst, had one foot in the CIA and one foot in the KGB, thanks to Obst's patron the Shearers. Derek Shearer was a prominent employee of a KGB feeder-pool and by 1998, Obst knew he had to distance himself from Derek. Obst's silence about Lloyd Shearer suggests Lloyd had unsavory connections as well. Could Colby, the head of the CIA, be unaware of whose company he was keeping? I don't think so, I think Colby just didn't care.

David Obst is a loud, self-important ass. Luckily for me, and for anyone interested on how Colby worked with the KGB, Obst is also fond of name-dropping: Derek's sister– Brooke— married Strobe Talbott, who has a Wikipedia entry containing his wife's maiden name. (Though I'm sure that wasn't the case back when Obst published is autobiography in 1998!) Ever feel old, David?

Tune in next week when I ask "What are the CIA's Family Jewels, and why is Lloyd Shearer one of them?" Also, "Was Colby the ultimate source of Hersh's My Lai leak?"

Want to know more? Read the next post in this series, Why Is Lloyd Shearer a Family Jewel?, or the final post, The Ambassadress, which looks at Sally Shelton-Colby's career.

In response to a reader request, I've drawn a flow chart of the relations between William Colby, Seymour Hersh, David Obst and the Shearer Duo.



*** Obst was not roomies with author John Marks, he roomed with John Marx, whose name is often mispelled "Marks" in Obst's autobiography! However, David Obst did represent John Marks and Victor Marchetti for *The CIA and the Cult of Intelligence*.

3 COMMENTS

THE PEOPLE VS. BOB GUCCIONE

In the final chapter of Prof. Alfred McCoy's *The Politics of Heroin*, he gives a brief description of the Nugan Hand Bank Scandal. Nugan Hand was an Cayman Islands bank that was intimately involved in the heroin trade during the 1970s; Nugan Hand appears to have taken over as 'the CIA's banker' after Castle Bank & Trust of Nassau was compromised in 1973 by an IRS investigation. (The CIA quashed the investigation for 'national security' reasons!! But, the damage had been done…)

Castle Bank's successor, Nugan Hand, was headed by ex-military types, including a smattering of men from the CIA, like retired director William Colby, who served as the bank's legal counsel for a time and whose "calling card" was found with the body of Frank Nugan in 1980.

I'm talking about Castle Bank and Nugan Hand today because during the 1973 IRS investigation, an 'informant' was able to photograph Castle Bank's client list. Along with the usual suspects, like mafia figures Morris Dalitz, Morris Kleinman and Samuel Tucker, were two notable pornographers: Hugh Hefner of *Playboy*, and Robert Guccione of *Penthouse*.

The CIA's Soft Porn King.

The CIA's Hard Porn King.

Why were these two famous pornographers piggy-backing on banking interests vital to US 'national security'? Why were they pooling their money with cash used by the CIA for "clandestine operations against Cuba and for other covert intelligence operations"?

What are the national security implications of porn?

Before readers laugh at this question, I will remind them that in most parts of the world pornography is outlawed– or at least frowned upon– as being a social evil. Beijing banned pornography in 1949. The Soviet Union banned it also; people born in the USSR will tell you what a shock it was to see smut pour in along with the American dollars. Sharia law prohibits porn; Christian teaching does the same. So what's up? Are all these governments/ religious leaders just anti-free-speech? *Is everybody else stupid?*

To answer that, I'm going to give you a quote from the Marquis de Sade, who was not just a pornographer and psychopath, but a leading political thinker of the French Revolution who was given a judgeship after 1789.

De Sade liked to throw political philosophy in with his porn. In *Philosophy in the Bedroom*, de Sade explains how pornography is useful in a republic:

> *The transgressions we are considering in this second class of man's duties toward his fellows include actions for whose undertaking libertinage may be the cause; among those which are pointed to as particularly incompatible with approved behavior are prostitution, incest, rape and sodomy. We surely must not for one moment doubt that all those known as moral crimes, that is to say, all acts of the sort to which those we have just cited belong, are of total inconsequence under a government whose sole duty consists in preserving, by whatever may be the means, the form essential to its continuance: there you have a republican government's unique morality. Well, the republic being permanently menaced from the outside by the despots surrounding it, the means to its preservation cannot be imagined as moral means, for the republic will preserve itself only by war, and nothing is less moral than war. I ask how one will be able to demonstrate that in a state rendered immoral by its obligations, it is essential that the individual be moral? I will go further: it is a very good thing he is not.* ***The Greek lawgivers perfectly appreciated the capital necessity of corrupting the member citizens in order that, their moral dissolution coming into conflict with the establishment and its values, there would result the insurrection that is always indispensable to a political system of perfect happiness which, like republican government, must necessarily excite the hatred and envy of all its foreign neighbors.***

Porn is indispensable to our 'freedoms', which despots 'hate'. Sound familiar? De Sade explains further:

> *Lycurgus and Solon, fully convinced that immodesty's results are to keep the citizen in the immoral state indispensable to the mechanics of republican government, obliged girls to exhibit themselves naked at the theater. [Footnote: It has been said the intention of these legislators was, by dulling the passion men experienced for a naked girl, to render more active the one men sometimes experience for their own sex. These sages caused to be shown that for which they wanted there to be disgust, and to be hidden what they thought inclined to inspire sweeter desires; in either case, did they not strive after the objective we have just mentioned? One sees that they sensed the need of immorality in republican matters.] Rome imitated the example: at the games of Flora they danced naked; the greater par of pagan mysteries were celebrated thus; among some peoples, nudity even passed for a virtue.*

De Sade was a bit confused with his sources, the lawgiving he's talking about comes from Philemon, who is quoted in *Athenaeus, Deipnosophists XIII: Concerning Women, 25*, which you can read here. Philemon does not say the same thing de Sade says; Philemon does say that women displayed naked and prostituted help the state by burning off young men's excess energy. In other words, omnipresent sex keeps men passive.

Perhaps the CIA does feel pornography is a matter of national security: after all, we don't want all those under- and unemployed young men thinking about government corruption…

The CIA's Soft Porn King today.

The CIA's Hard Porn King ~~today~~. He's dead. Freak liposuction accident?

Bearing in mind the centuries-old understanding of the political effects of pornography, let's turn our attention to Castle Bank's porn kings:

Hugh Hefner, whose magazine published stories by British spy Roald Dahl*, is an Army veteran; homosexual rights advocate; and a self-professed champion of free speech. Hefner could be credited with bringing porn 'mainstream' in the Anglo-American world.

Hefner's image has recently been tarnished by allegations that he is a drug-pushing control freak; that the fabled Playboy mansion is like a grubby, 'no-tell' motel; and that, according to former playmates Jill Ann Spaulding and Victoria Zdrok, Hefner needs to watch gay male porn to maintain his chemically-assisted erection. In fact, the Playboy Mansion sounds a lot like Bryan Singer's Hollywood (gay) pedophile ring.

Does the CIA feel Hefner's enterprise is money well spent? Clearly, what Hugh sells isn't very close to his heart; perhaps de Sade was on to something.

Robert Guccione set up *Penthouse* in direct 'competition' with Playboy; *Penthouse* took a more explicit 'hard-core' angle, going as far as to feature fetish stuff like urination and 'facials'. The magazine has a knack for getting nude photos of women 'before they're famous', such as Madonna and Vanessa Williams, and has even exploited underage girls, like Traci Lords.

Penthouse was first published in England, not America, and gave CIA asset Seymour Hersh a platform to 'leak' a handful of government scandals. (Presumably clearing them with William Colby first!) Guccione has been lauded by such venerable institutions as Brandeis University for his reporting through *Penthouse*.

Guccione also gave American *Vogue* editor, Anna Wintour, her start in publishing– because of her innate ability? Probably not: Anna's father was the editor of London's *Evening Standard*, so Guccione's help was likely a business favor to her old man. Never the less, Anna has given unflinching support to America's current Commander-In-Chief. Also money well spent?

In conclusion, before anyone gets too teary-eyed about freedom of speech champions like Hugh Hefner and Bob Guccione, let's stop and think about where the money comes from.

"And you shall know the truth and the truth shall make you free."

*For readers interested in weird espionage 'coincidences', Hugh Hefner published Roald Dahl's twisted story, *The Last Act*, which is about a vicious, misogynist womanizer who gets his high school flame to commit suicide after her husband's untimely death. The disturbing thing about *The Last Act* is how much Dahl– an 'illegal' spy and womanizer himself– identifies with the psychopath.

One of MI5's successes against the Soviets was the apprehension of 'illegal' agent Gordon Arnold Lonsdale, whose real name was Konon Trofimovich Molody. Molody had a wife and children in Russia, but he was

a profligate womanizer who cultivated the image of a wealthy *bon vivant*. The MI5 codename for Molody was 'Last Act'. Aren't these guys cool?!

6 COMMENTS

MANAGED OPPOSITION

Prof. Alfred McCoy during one of many CIA-related media appearances.

I woke up last night with the name 'McCoy' rolling around in my head. I tried to dismiss my sleeplessness as redux from the previous post about Leonard McCoy and William Colby, *Dirty Jobs,* but that nagging feeling just wouldn't go away. Then I remembered that Colby was associated with another, entirely different McCoy. Alfred W. McCoy.

In 1972, Alfred W. McCoy finished writing a book titled *The Politics of Heroin*, which was an exposé of CIA complicity with heroin trafficking in the Golden Triangle during the Vietnam War (1959-75). A book on this topic *should also have been* an exposé of Colby, who had been heading up CIA Saigon operations on and off since 1959*. Instead, McCoy's book mentions Colby a grand total of nine times, mostly in connection to quotes from Colby's writing. (And I'm working from 1991 *Politics of Heroin* extended edition– 600 pages!)

McCoy began researching *The Politics of Heroin* in 1971, the year Colby returned to Washington D.C. to be Executive Director of the CIA and to begin Angleton's unwinding. It's *incredible*, readers, that McCoy should begin writing his magnum opus on CIA heroin connections *at the same time* the man ultimately responsible for those connections assumed an important Washington position. It's even more incredible that McCoy's CIA heroin exposé makes so little mention of the man at the heart of Far Eastern CIA operations.

CIA Director William Colby.

A little too incredible. I suggest, readers, that Alfred McCoy's work is managed opposition to William Colby, the media-friendly CIA leader. My suspicions (mostly) stem from information McCoy provides in the preface to the 1991 edition of his book, where he names the people who lead him to his heroin research and who helped him publish the book, despite CIA 'disapproval'.

McCoy, as a lowly graduate student, was given extraordinary access to intelligence personalities; McCoy was given inside information from at least one CIA publishing front; and during his media-friendly 'squabble' with the CIA prior to publication (the best type of hype), McCoy was helped by William Colby's journalist confidante, Seymour Hersh AND Washington literary-agent-cum-fixer, David Obst. Too many friends in high places, Prof. McCoy.

I don't think McCoy's book is a noble exposé of the CIA's crimes; I think the CIA director William Colby knew that some of his heroin-related activities were going to get out and *The Politics of Heroin* was Colby's damage control strategy. Sort of like Greenwald, Poitras and Gellman are the NSA's damage control strategy for the Snowden leaks.

Let me flesh out what McCoy actually says in his preface. His heroin research started when he was a second-year graduate student at Yale. Alfred McCoy had the *deucedly good luck* to score an interview with the former head of French Intelligence for Indochina, General Maurice Belleux, who just happened to let it slip that the CIA was involved in selling Golden Triangle opium. S*acrebleu!* Colby had inherited the heroin businesses that funded General Belleux's operations back in *Indochine*.

Why would a French general spill the beans on CIA Executive Director Colby? Belleux's interview with McCoy happened 10 years after a major rift between the French and American intelligence services; a rift which is attributed to fallout from the search for Soviet spies in France, nick-named 'the Sapphire Network'. In 1962 James Angleton, along with his official contact with French intelligence services Philippe de Vosjoli, and the support of the majority of men in President Kennedy's cabinet, told French Intellegence that they had a number of high-level Soviet infiltrations based on information from Anatoliy Golitsyn. The French rebuffed the information, turned viciously on de Vosjoli and no significant Soviet spies were outed. The event set many French officials against Angleton; Angleton suspected that any serious investigation into Golitsyn's claims had been thwarted by Soviet-friendly insiders. De Vosjoli's career was ruined and he fled to Mexico with American assistance.

De Vosjoli had cut his teeth working for French Intelligence in Indochina prior to 1951, so he would have been either a colleague or a subordinate to General Belleux. It would be great to know what state the General's career was in after the 'Sapphire' blow up, but I do know that in 1956 he headed the "French Security Services of the National Defense and Armed Forces", and by the time the 62-year old retired general spoke to McCoy, he no longer held a position in intelligence, but was heading up a helicopter company in France. (Not hiding in Mexico.)

I suspect that General Belleux heard from old Indochina friends that Colby was going to be 'made'; Belleux knew Colby had serious image-laundering to do (CIA drug dealing was hardly a secret in Vietnam– it's what all head honchos do there); and Belleux knew that Colby had an axe to grind with Angleton, so the general was happy to provide a favor. Somebody put General Belleux in touch with an obscure American grad student called Alfred. Strike one, Prof. McCoy.

But it wasn't just the upper echelons of French Intelligence that opened up to young Alfred McCoy. Allen Ginsberg, beat poet and media darling, turned up on McCoy's doorstep with a "carton containing years' worth of unpublished dispatches from Time Life correspondents that documented the involvement of America's Asian allies in the opium traffic". Time-Life is a publishing constellation owned by the husband of Clare Boothe Luce, Roald Dahl's lover/target and black ops aficionado. Carl Bernstein, of *Rolling Stone*, is famous for outing the Time-Life organization's cooperation with the CIA. The cooperation included providing working-cover for CIA agents and even funding operations. (Readers will remember that *Rolling Stone* is no stranger to the intelligence community either!)

Recap: McCoy started writing *The Politics of Heroin* when Allen Ginsberg tuned up with pre-written notes supplied by a CIA media front. Strike Two.

When McCoy's publisher Harper & Row **warned** the CIA about McCoy's immanent book, Seymour Hersh (then with *The New York Times*) suddenly appeared on the scene and was granted interviews with Harper & Row staff, so that he could write this article which preempted *The Politics of Heroin's* publication:

> *C.I.A. AIDES ASSAIL ASIA DRUG CHARGE; Agency Fights Reports That It Ignored Heroin Traffic Among Allies of U.S.*
> *C.I.A.* Aides Fight Reports That Agency Ignored Southeast Asian Heroin Traffic
>
> *By SEYMOUR M. HERSH Special to* The New York Times
> *July 22, 1972,*
>
> *WASHINGTON, July 21 -The Central Intelligence Agency has begun a public battle against accusations that it knew of but failed to stem the heroin traffic of United States allies in Southeast Asia.*

Note Hersh's use of 'failed to stem the heroin traffic' rather than the more accurate 'was complicit with' or 'participates in the heroin traffic'. (As of publication, I was unable to access the full article from the *NYT's* rickety archives– they say it's lost. Will update if there's news.) Hersh was covering for his buddy William Colby at the CIA; Hersh had been tipped off to McCoy's book by David Obst, the shadowy Washington literary agent and fixer– but more on Obst later.

Colby and Seymour Hersh buddies? Could it be true? Readers will remember that last Sunday I quoted Seymour Hersh from Tom Mangold's *Cold Warrior*:

> *"After talking to Angleton, I then called Colby up to tell him that I thought this man was totally off the reservation– that, in essence, he was totally crazy."*

This conversation took place in 1974, two years after Seymour Hersh's 'breaking story' about the CIA and heroin. Hersh was such good buddies with Colby that he felt comfortable calling the DCI up to b*tch about another CIA big-wig. In fact, Tom Mangold documents how Colby leaked damaging information about Angleton to Hersh, and how Hersh would clear stories with Colby before their publication!

> *The next day, December 18 [1974], Seymour Hersh, then the top investigative reporter for the New York Times, phoned Colby and told him, "I have a story bigger than My Lai." (Hersh had earlier won a Pulizter Prize for uncovering that massacre of unarmed Vietnamese civilians by American GIs.) Colby owed Hersh a favor because the reporter had withheld publication of a sensitive story at his request earlier that year, so the DCI agreed to meet him in his office to discuss this latest scoop.*

That's journalistic impartiality for you! The question isn't whether Hersh was in bed with Colby, but if that cozy relationship was in place during the twelve months prior, when Hersh was beating the drum for Colby's CYA expose of what *the CIA as a whole* was doing in the Golden Triangle. I think it's reasonable to assume the relationship was.

Recap: Colby's buddy Hersh helped to promote McCoy's book which obscured Colby's role in the Indochina-drug-dealing. Strike three!

McCoy had a very public tussle with *the CIA as a whole* about his book in the *New York Review of Books*. In 1990 Colby would use the *NYRB* again to defend his own writing about the Vietnam War.

Any good historian will know by now that Alfred McCoy is 'out'. McCoy's book is managed opposition to Colby and the CIA's use of the East Asian drug trade. Colby was known as a media-friendly intelligence director; McCoy's book is part of Colby's strategy of managing the media to white-wash his corrupt– *grotesque*— past.

Readers will remember that the only reason any of this heroin trafficking came to light was because heroin addiction had suddenly become rampant amongst American GIs. Colby's actions are no better than those of the Russians who sold arms to be used against their own men in Afghanistan. Colby was a twisted puppy.

There's one more scrap of information from McCoy's preface that I'd like to explore: David Obst. When the CIA initially threatened to quash *The Politics of Heroin's* publication, David Obst appeared to give McCoy an alternative publisher:

> *A month later, Knowlton [Winthorp Knowlton, Harper & Row president] gave me an ultimatum: If I did not agree to a CIA review of the manuscript, Harper & Row would refuse to publish my book. I spent almost twenty-four hours struggling with the dilemma. My friend David Obst , a freelance literary agent in Washington, put me in touch with Hal Dutton of the publishing house E.P. Dutton, who was, David said, very upset by Harper's decision to grant the CIA prior review of any manuscript. Dutton was willing to publish the book but warned that editorial work and legal batters with Harper & Row could mean a delay of six months.*
>
> *Rather than slow the publication of timely material, I worked out a compromise with Harper & Row. We created a procedure fo submitting the manuscript to the CIA for prior review in a way that would preserve some semblance of editorial integrity.*
>
> *Tipped off to a potential story by our mutual friend David Obst, Seymour Hersh, recently hired as an investigative reporter for the New York Times, interviewed Harper's staff and published his expose of the CIA's attempt to suppress the book on page 1 of the New York Times. Over the next week, The Washington Post ran an editorial attacking the CIA's infringement of freedom of the press and NBC's Chronolog program televised an hour-long report by Garrick Utley on the agency's complicity in the Laotian drug trade.*

David Obst seems to be all things to all people, and right at the heart of the valuable media frenzy surrounding McCoy's book. Who is David Obst?

According to Luke Ford's interview with David's wife, Lynda:

> *Lynda attended Pomona College, in Claremont, California. Then she became a doctoral candidate in Philosophy at Columbia University. She met literary agent David Obst who represented Watergate journalists Bob Woodward and Carl Bernstein. They had an affair and later married.*
>
> *David got Jann Wenner to allow Lynda to put together an anthology called The Sixties for Rolling Stone Press. David next got the New York Times Magazine's editor Ed Klein to meet her and hire her.*
>
> *Obst edited a cover story in the summer of 1977 called "The New Tycoons of Hollywood."*
>
> *"I had a wonderful run as an editor of the New York Times Magazine," Obst writes.*

According to the *Santa Barbara Independent* in 2007:

> *He [David Obst] has written a book, Too Good to Be Forgotten: Changing America in the '60s and '70s, that brings together his experiences as a literary agent for Bob Woodward and Carl Bernstein during and after Watergate with his role in the publication of the Pentagon Papers and his assistance in bringing the My Lai massacre to light.*

[Leaking The Pentagon Papers made Daniel Ellsberg famous; he now parties with Laura Poitras and other CIA assets at The Freedom of the Press Foundation.]

So, David made a habit of working with people whose job was to tell the public about Washington scandals through elite media channels.

David Obst, doing what he's best at.

David was cozy to *Rolling Stone*, a magazine which I believe breaks bad news the safest way possible for the US government. *Rolling Stone* is where Carl Bernstein broke the news of *other journalists'* CIA connections– wouldn't it be funny if Berstein's guiding-light, Obst, was working for Colby and the CIA himself? Obst's work with McCoy was very useful to William Colby.

As an interesting side-note, while David was busy 'outing' notorious CIA drug deals in far-off Asia, he made a career out of promoting drug culture in the USA. From *The Uncool Exclusive Interview with Cameron Crowe*, author of *Fast Times at Ridgemont High*:

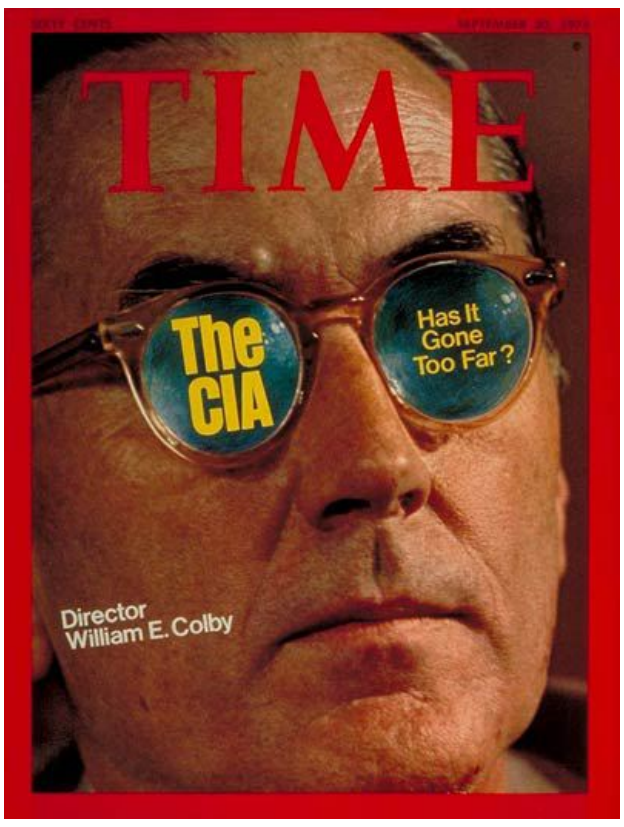
> *David Obst was a publisher who used to work at* Rolling Stone *and split off to work on book packaging. He's the one who called me up and said, 'Do you want to write a book about high school?' There was a backstory, I think, between Jann Wenner and David Obst where they had discussed a series of articles for* Rolling Stone *based on high school. So*

> *I was never sure if the project would be a book for Obst, or a series of articles for Jann… or both. I just loved the idea of writing about another kind of rock and roll – the kind that happens in the lives of real people. Real teenagers. And I did see something fascinating almost immediately – kids were becoming adults, burdened with financial and sexual responsibilities, years earlier than their parents ever had. It was the great vanishing adolescence. That was the beginning of* Fast Times.

Did William Colby always feel the same way about McCoy's book? I don't think so. The Vietnam heroin scandal broke open again in the 1990s, prompting Colby to write a letter to the editors of the *New York Review of Books*. In reply to Colby, Jonathan Mirsky says:

> *But the CIA's involvement in this traffic was widely known in the Sixties and Seventies, and was amply documented in Alfred McCoy's book* The Politics of Heroin in Southeast Asia *(Harper and Row, 1972), which I cited in my article, referring in particular to the chapter on the drug trade in Laos. In his letter Colby ignores McCoy's evidence, which led to this conclusion:*
>
> *American diplomats and secret agents have been involved in the narcotics traffic at three levels: (1) coincidental complicity by allying with groups actively engaged in the drug traffic; (2) abetting the traffic by covering up for known heroin traffickers and condoning their involvement; (3) and active engagement in the transport of opium and heroin. It is ironic, to say the least, that America's heroin plague is of its own making. [p. 14]*

Perhaps after several years of being the head of the CIA Colby felt differently about pushing blame for his heroin dealing off on 'the CIA in general'. After all, as head of the organization, the public now saw Colby as 'the CIA'. Perhaps in 1990, Colby wished his 1972 exercise in ass-covering would just go away.



September 30th, 1974 TIME cover featuring Colby.

One year after Colby's 1990 *NYRB* letter, McCoy decided to publish an expanded version of his 1972 book, which he describes as "moving beyond exposé to explanation". McCoy's updated book has copious information on all the other drug dealers in East Asia, not just ~~Colby~~ the CIA.

Oh, what a tangled web we weave. Perhaps none of this matters, because Colby died of a suspicious heart attack a while ago. Alfred McCoy now holds a very pleasant professorship in the sheltered college town of Madison, WI. What? Were you expecting McCoy to have a job at the Rand Corporation, like Daniel Ellsberg?

*For those of you interested in William Colby's Far Eastern adventures: Colby was the CIA's deputy chief, then chief of the Saigon station from 1959-62; after that he moved to Washington D.C. to be the CIA's Far Eastern Division Chief. In 1968 Colby was about to become chief of the Soviet Division– the division that had Angleton so worried– but President Johnson (protégé of Charles Marsh, the BSC collaborator and friend of Roald Dahl) sent him back to Vietnam, to replace Robert Komer and take over the U.S./South Vietnamese rural pacification effort. Colby stayed in Vietnam until 1971, when he was brought back to be Executive Director of the CIA (and quashed investigations into his dealings with a GRU agent in Saigon!)

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